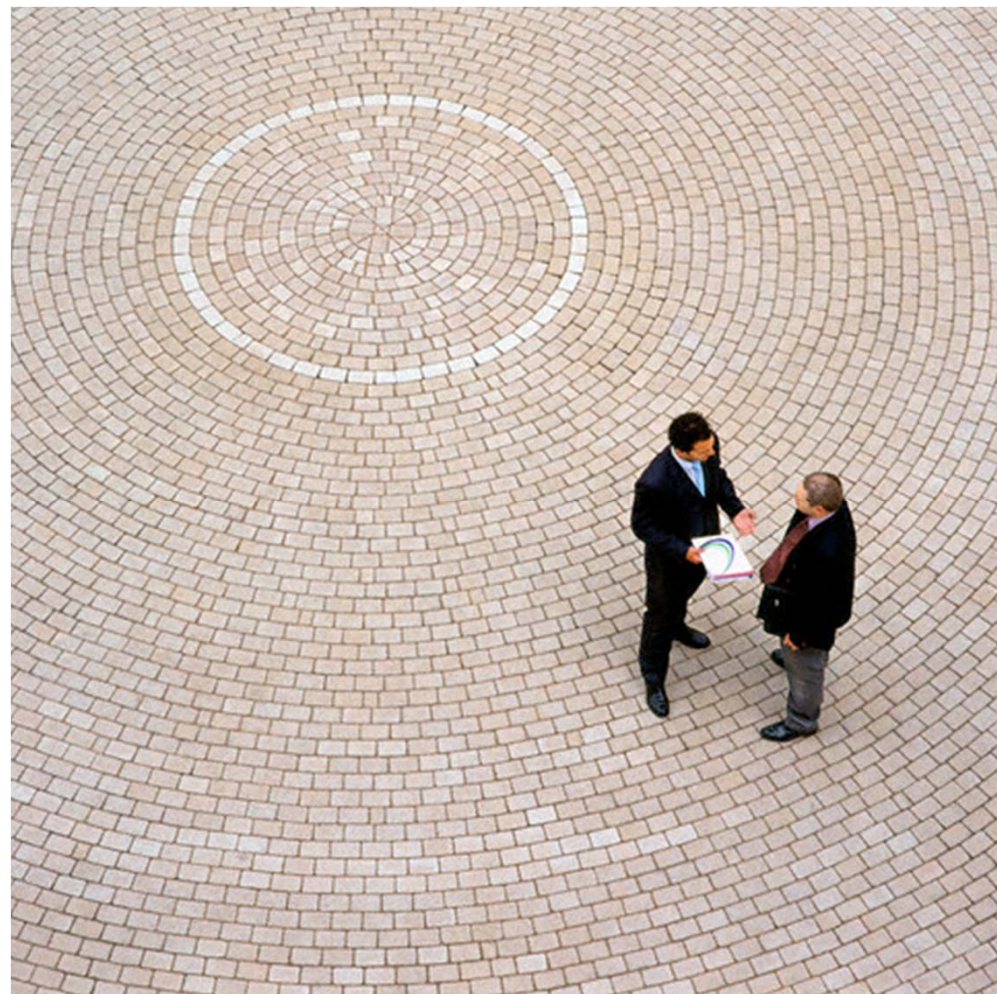




**IDFC**

# IDFC : Investor Presentation (Q1FY2014)

July 29, 2013



- 1. Snapshot**
- 2. Balance Sheet & Financials**
- 3. Concentration and product analysis**
- 4. Borrowings**
- 5. Shareholding**
- 6. Highlights**

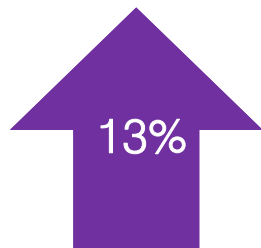
Balance Sheet

₹71,655 crore



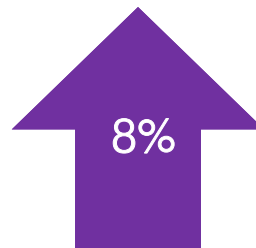
Gross Loans

₹57,600 crore



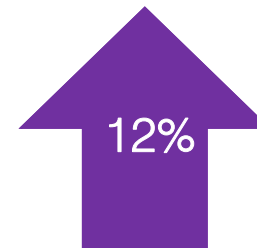
Borrowings

₹54,076 crore



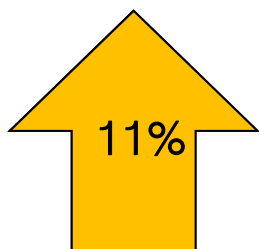
Networth

₹14,253 crore



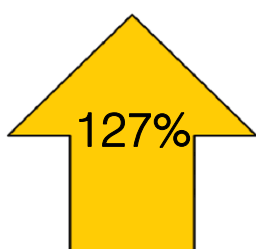
NII

₹686 crore



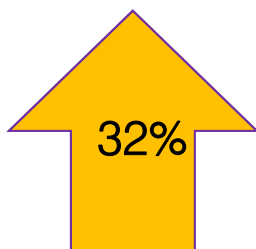
Non-Int Income

₹331 crore



Op. Income

₹1,021 crore



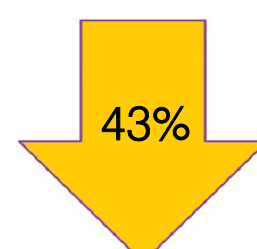
Op. Expenses <sup>^</sup>

₹139 crore



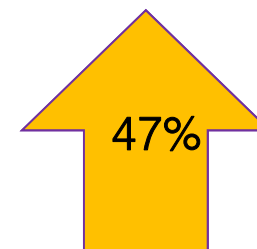
Provisions

₹59 crore



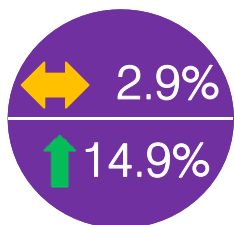
PAT

₹557 crore

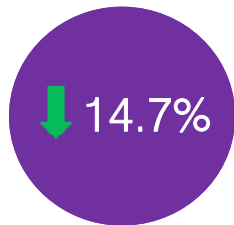


<sup>^</sup> Adjusted Opex increased by 8% to ₹122 cr

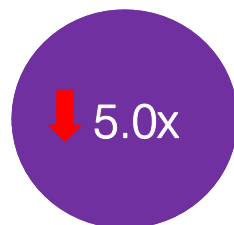
RoA\*



RoE\*

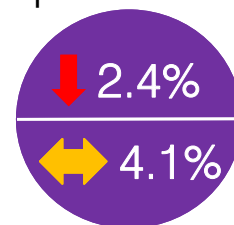


Cost / Income\*



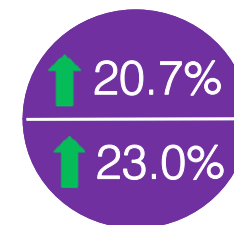
Leverage

Spreads\*



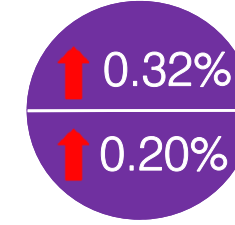
NIMs\*

Tier I



Cap Adeq

Gross NPL



Net NPL

## Business Highlights

### Project Finance

- Approvals : ₹2,833 crore (78% YoY decrease – Q1FY13 : ₹12,809 crore )
- Disbursements : ₹3,211 crore (28% YoY decrease –Q1FY13 : ₹4,487 crore )
- Cumulative OS Approvals : ₹72,712 crore (5% YoY decrease)
- Loan Book : ₹57,600 crore (13% YoY increase , 2% Q-o-Q increase)
- NII Loan Book : ₹631 crore (14% YoY increase, 5% Q-o-Q increase)
- Loan Related Fees : ₹23 crore (61% YoY decrease)
- Loan Provisions : ₹85 crore (121% YoY increase)
- Loan Loss Provision Ratio : 1.9%

### Fixed Income & Treasury

- NII Treasury : ₹55 crore (15% YoY decrease)
- Fixed Income : ₹139 crore (Q1FY13 - ₹12 crore)
- Treasury Assets : ₹8,193 crore (1% decrease)

- Overall Spreads for rolling 12 months ending June'13 : 2.4% (FY13 : 2.5%)
- Capital Adequacy : 23% (of which Tier I : 20.7%) vs 22.1% as on Mar'13

### Resources :

- Fitch reaffirmed “BBB-“ international credit rating for IDFC in line with the sovereign rating
- ICRA reaffirmed “AAA” credit rating for IDFC’s on shore bond issuance programme
- Borrowings outstanding : ₹54,076 crore (8% YoY increase)

## Business Highlights

### Investment Banking & Broking

- Institutional Broking income : ₹8 crore (14% YoY increase)
- Investment Banking income : ₹5 crore (123% YoY increase)

### Alternatives

- Average AUM : ₹8,293 crore
  - Private Equity : ₹4,457 crore
  - Project Equity : ₹3,837 crore
- Asset management fees from alternatives : ₹27 crore (5% YoY decrease)
- Capital Gains & Carry : Nil

### Public Market AMC

- Average AUM FY13 : ₹40,327 crore (Debt : Equity – 82:18)
- 8th Rank AMC
- Market Share : 4.6%
- Asset management Fees from AMC : ₹65 crore (86% YoY increase)

- Principal Gains (excluding cap gains and carry) : ₹63 crore (Q1FY13 – ₹2 crore)

### Operating Expenses :

- HR expenses : ₹69 crore (4% YoY increase)
- Non HR expenses : ₹71 crore (39% YoY increase)
- Cost / Income (rolling 12 months ending June' 13): 14.7% (FY13 : 15.1%)

1. Snapshot

2. Balance Sheet & Financials

3. Concentration and product analysis

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5. Shareholding

6. Highlights

## Consol Financials : Balance Sheet

( ₹ crore)

Particular	30-Jun-13	30-Jun-12	% Growth	31-Mar-13	% Growth
Networth	14,253	12,683	12%	13,683	4%
Borrowings	54,076	50,012	8%	54,227	0%
Current Liabilities	3,326	2,321	43%	3,149	6%
<b>TOTAL LIABILITIES</b>	<b>71,655</b>	<b>65,017</b>	<b>10%</b>	<b>71,059</b>	<b>1%</b>
Net Loan Book	56,653	50,157	13%	55,736	2%
<i>Gross Loan Book</i>	57,600	50,892	13%	56,595	2%
<i>Less Provision</i>	947	734	29%	858	10%
Treasury <sup>1</sup>	8,193	8,249	-1%	9,219	-11%
Consol Equity <sup>1,2</sup>	3,085	3,051	1%	3,124	-1%
Current Assets	3,725	3,560	5%	2,980	25%
<b>TOTAL ASSETS</b>	<b>71,655</b>	<b>65,017</b>	<b>10%</b>	<b>71,059</b>	<b>1%</b>

<sup>1</sup> Net of provision

<sup>2</sup> Goodwill on consolidation as of June 30, 2013 - ₹57 crore



## Consol Financials : Profit & Loss Account

( ₹ crore)

Particular	Q1FY14	Q1FY13	% Growth	Q4FY13	% Growth
Net Interest Income	686	620	11%	643	7%
Loans	631	555	14%	603	5%
Treasury	55	65	-15%	40	39%
Non-Interest Income	331	146	127%	363	-9%
Principal Gains	63	2	3964%	129	-51%
Asset Management	93	64	46%	89	4%
<i>Mutual Fund</i>	65	35	86%	59	11%
<i>Alternatives</i>	27	29	-4%	31	-10%
Fees	27	29	-5%	28	-3%
VC Gain & Carry	0	0	na	3	-88%
Investment Banking & Broking	13	9	39%	39	-67%
<i>Investment Banking</i>	5	2	123%	26	-81%
<i>Institutional Broking</i>	8	7	14%	14	-39%
Fixed Income	139	12	1030%	57	142%
Loan Book Related fees	23	59	-61%	48	-52%
Other Income	4	7	-33%	3	32%
<b>OPERATING INCOME</b>	<b>1,021</b>	<b>772</b>	<b>32%</b>	<b>1,009</b>	<b>1%</b>
<b>OPERATING EXPENSES</b>	<b>139</b>	<b>117</b>	<b>19%</b>	<b>151</b>	<b>-8%</b>
HR	69	66	4%	78	-12%
Non-HR	71	51	39%	73	-4%
Provisions	59	103	-43%	165	-64%
Loans	85	39	121%	106	-19%
Investments	-26	64	na	59	na
PBT	823	553	49%	693	19%
Tax, Minority int, etc	266	173	54%	168	59%
<b>PAT</b>	<b>557</b>	<b>380</b>	<b>47%</b>	<b>526</b>	<b>6%</b>
<b>PAT (net of principal gains)</b>	<b>504</b>	<b>378</b>	<b>33%</b>	<b>423</b>	<b>19%</b>

## Consol Financials : RoA Tree

(% of avg total assets)

Particular	Jul12 - Jun13	FY13	Jan12 - Dec12	Oct11 - Sep12	Jul11 - Jun12
Net Interest Income	3.8%	3.8%	3.9%	3.9%	3.9%
Loans	3.5%	3.5%	3.6%	3.6%	3.5%
Treasury	0.3%	0.3%	0.3%	0.3%	0.4%
Non-Interest Income	1.5%	1.3%	1.0%	1.2%	1.6%
Principal Investments	0.4%	0.3%	0.2%	0.3%	0.7%
Asset Management	0.5%	0.5%	0.4%	0.4%	0.4%
Investment Banking & Broking	0.1%	0.1%	0.1%	0.1%	0.1%
Fixed Income	0.4%	0.2%	0.1%	0.1%	0.1%
Loan Related & Other Fees	0.2%	0.3%	0.3%	0.3%	0.3%
Other Income	0.0%	0.0%	0.0%	0.0%	0.0%
<b>OPERATING INCOME</b>	<b>5.3%</b>	<b>5.2%</b>	<b>5.0%</b>	<b>5.1%</b>	<b>5.6%</b>
<b>OPERATING EXPENSES</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.9%</b>
HR	0.4%	0.4%	0.5%	0.5%	0.5%
Non-HR	0.4%	0.3%	0.3%	0.4%	0.4%
Provisions	0.4%	0.5%	0.4%	0.5%	0.6%
PBT	4.1%	3.9%	3.7%	3.8%	4.0%
Tax, Minority int, etc	1.2%	1.1%	1.2%	1.2%	1.2%
<b>PAT</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.9%</b>

## Consol Financials : Ratios

Particular	Jul12 - Jun13	FY13	Jan12 - Dec12	Oct11 - Sep12	Jul11 - Jun12
NII / Operating Income	71%	74%	78%	76%	71%
Non-int income / Operating Income	29%	26%	22%	24%	29%
HR / Operating Income	8.1%	8.6%	9.5%	9.6%	9.7%
<b>Cost / Income</b>	<b>14.7%</b>	<b>15.1%</b>	<b>16.5%</b>	<b>16.7%</b>	<b>16.7%</b>
<b>RoA</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.9%</b>
<b>RoE</b>	<b>14.9%</b>	<b>14.0%</b>	<b>12.8%</b>	<b>12.5%</b>	<b>13.2%</b>
Leverage ( <i>Closing</i> )	5.0 x	5.2 x	5.1 x	5.3 x	5.1 x
Loan Loss Provision Ratio*	1.9%	1.8%	1.8%	1.7%	1.7%
Gross NPL	0.3%	0.2%	0.3%	0.3%	0.3%
Net NPL	0.2%	0.1%	0.1%	0.1%	0.1%
<b>Average Spreads</b>	<b>2.4%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>
<b>NIMs</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>4.3%</b>	<b>4.3%</b>

\* Total Provision / Total Loans

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## Concentration Analysis (Sector)

### Cumulative OS Approvals

(Amounts in ₹crore)

Particular	Jun-13	% of Total	Mar-13	% of Total	Jun-12	% of Total
Energy	28,168	39%	29,234	40%	31,388	41%
Transportation	18,388	25%	18,210	25%	18,119	24%
Telecom	15,126	21%	14,927	21%	17,696	23%
Others	11,029	15%	10,226	14%	9,209	12%
<b>TOTAL</b>	<b>72,712</b>	<b>100%</b>	<b>72,597</b>	<b>100%</b>	<b>76,412</b>	<b>100%</b>

- Top 20 Companies : 39% of total (Mar'13 : 39%)
- Top 20 Industrial Groups : 62% of total (Mar'13 : 58%)

### Outstanding Disbursement

(Amounts in ₹crore)

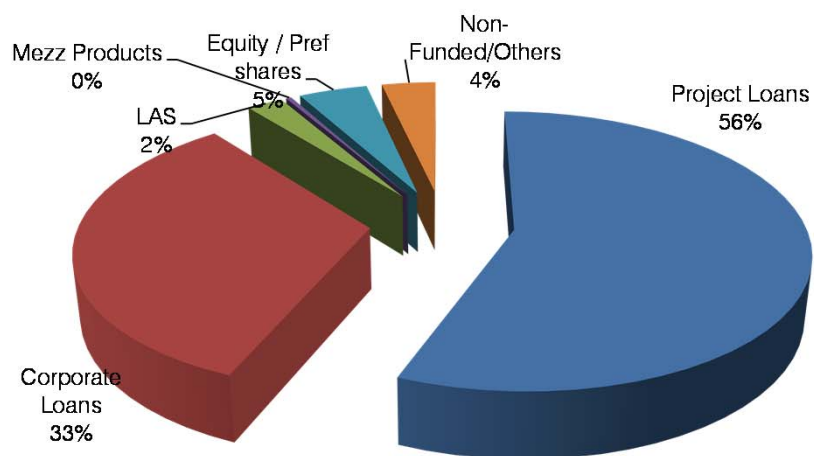
Particular	Jun-13	% of Total	Mar-13	% of Total	Jun-12	% of Total
Energy	24,664	40%	25,212	41%	24,105	43%
Transportation	15,580	25%	14,365	24%	13,049	24%
Telecom	13,589	22%	13,772	23%	12,136	22%
Others	7,944	13%	7,433	12%	6,124	11%
<b>TOTAL</b>	<b>61,777</b>	<b>100%</b>	<b>60,782</b>	<b>100%</b>	<b>55,414</b>	<b>100%</b>

- Top 20 Companies : 41% of total (Mar'13 : 40%)
- Top 20 Industrial Groups : 63% of total (Mar'13 : 58%)

## Concentration Analysis (Product)

Product wise Cum OS Approvals (Jun 30, 2013)

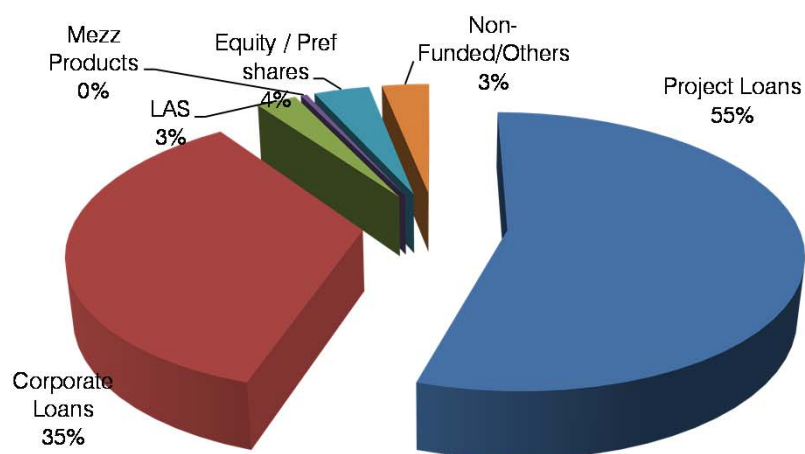
(Amounts in ₹ crore)



Product type	Amount in ₹ crore			% of total		
	Jun-13	Mar-13	Jun-12	Jun-13	Mar-13	Jun-12
Loans / Debentures	66,866	67,711	70,703	92.0%	93.3%	92.5%
<i>Project Loans</i>	40,830	41,103	44,180	56.2%	56.6%	57.8%
<i>Corporate Loans</i>	24,056	24,465	23,683	33.1%	33.7%	31.0%
<i>LAS</i>	1,722	1,870	2,587	2.4%	2.6%	3.4%
<i>Mezz Products</i>	258	272	253	0.4%	0.4%	0.3%
Equity / Pref shares	3,282	2,661	2,716	4.5%	3.7%	3.6%
Non-Funded/Others	2,564	2,226	2,993	3.5%	3.1%	3.9%
<b>TOTAL</b>	<b>72,712</b>	<b>72,597</b>	<b>76,412</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Product wise OS Disbursements (Jun 30, 2013)

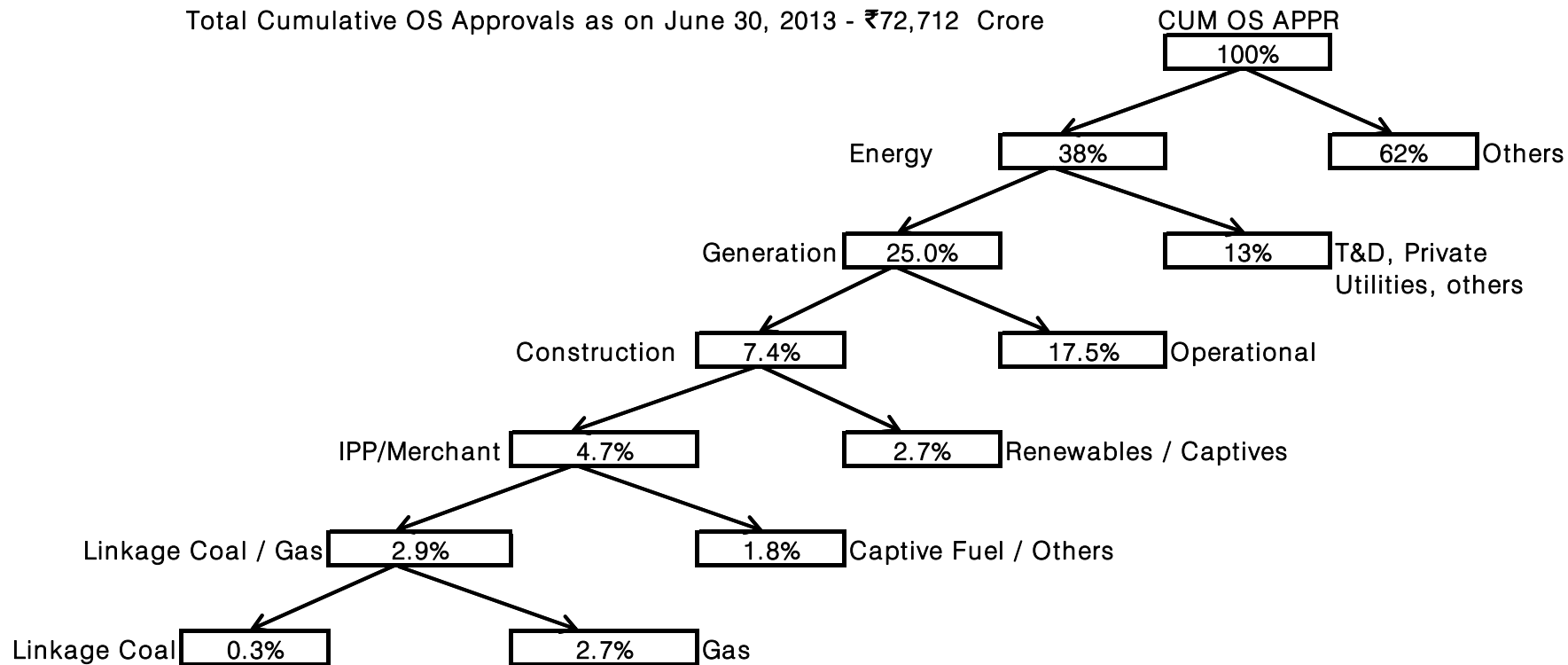
(Amounts in ₹ crore)



Product type	Amount in ₹ crore			% of total		
	Jun-13	Mar-13	Jun-12	Jun-13	Mar-13	Jun-12
Loans / Debentures	57,600	56,595	50,892	93.2%	93.1%	91.8%
<i>Project Loans</i>	33,906	32,766	31,819	54.9%	53.9%	57.4%
<i>Corporate Loans</i>	21,799	21,769	16,859	35.3%	35.8%	30.4%
<i>LAS</i>	1,640	1,790	1,962	2.7%	2.9%	3.5%
<i>Mezz Products</i>	255	269	251	0.4%	0.4%	0.5%
Equity / Pref shares	2,260	2,264	2,165	3.7%	3.7%	3.9%
Non-Funded/Others	1,917	1,923	2,357	3.1%	3.2%	4.3%
<b>TOTAL</b>	<b>61,777</b>	<b>60,782</b>	<b>55,414</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Energy Cum OS Approvals Tree

Total Cumulative OS Approvals as on June 30, 2013 - ₹72,712 Crore



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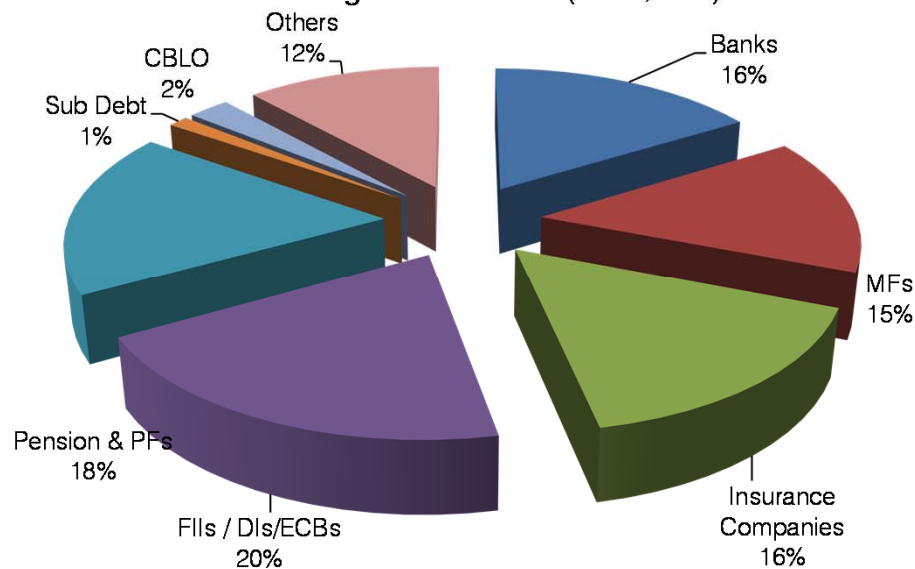


## Borrowings Analysis

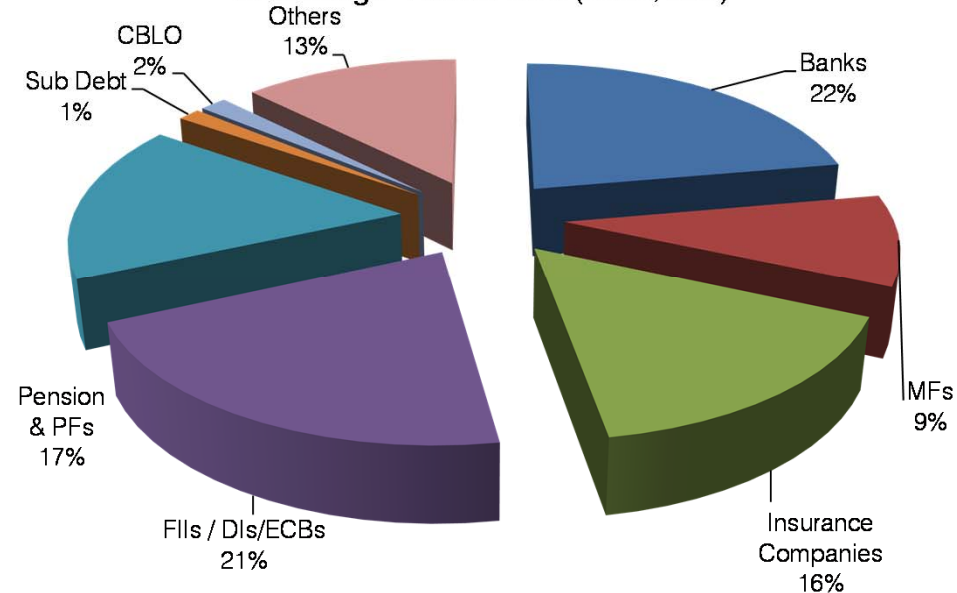
(Amounts in ₹ crore)

Particular	Amount			% of total			% Growth	
	30-Jun-13	31-Mar-13	30-Jun-12	30-Jun-13	31-Mar-13	30-Jun-12	Y-o-Y	Q-o-Q
LT Rupee Loans	4,721	4,527	4,246	9%	8%	8%	11%	4%
LT Bonds / Debentures	38,647	38,821	32,908	71%	72%	66%	17%	0%
Sub Debt	650	650	650	1%	1%	1%	0%	0%
Foreign Currency Loans	6,088	6,160	4,027	11%	11%	8%	51%	-1%
Short Term	3,970	4,069	8,182	7%	8%	16%	-51%	-2%
<b>TOTAL</b>	<b>54,076</b>	<b>54,227</b>	<b>50,012</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>8%</b>	<b>0%</b>

Borrowings - Lender wise (Jun 30, 2013)



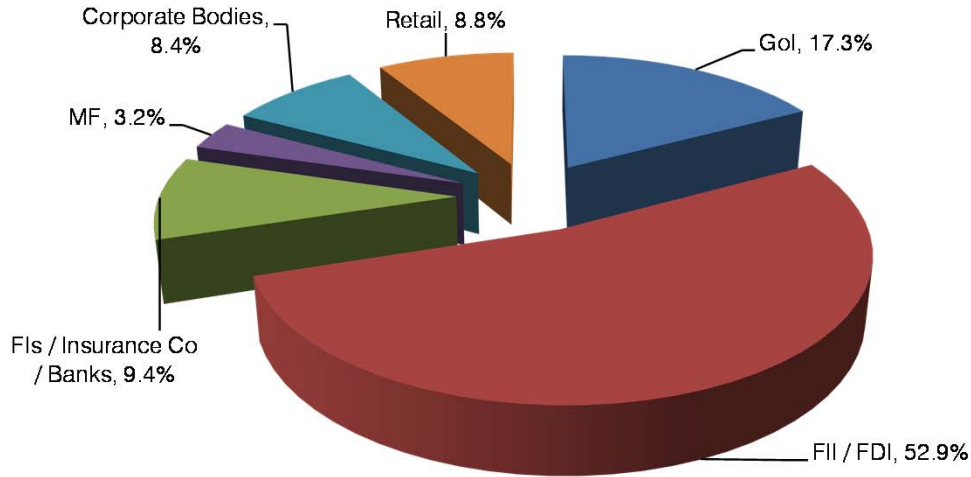
Borrowings - Lender wise (Jun 30, 2012)



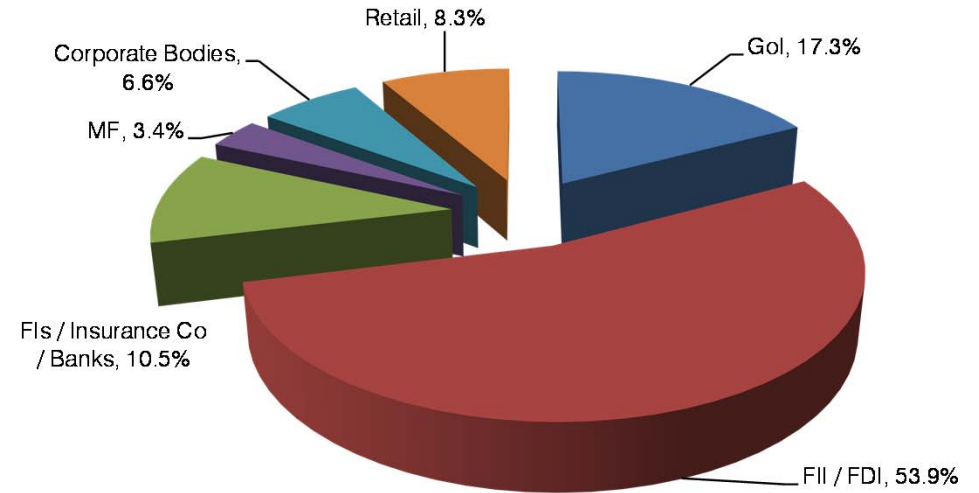
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# Shareholding

Shareholding : 30-Jun-13



Shareholding : 31-Mar-13



## % of Top 10 shareholders

Sr No	Name	Category	30-Jun-13	31-Mar-13
1	Government Of India	Gol	17.3%	17.3%
2	Sipadan Investments (Mauritius)	FII	10.0%	10.0%
3	LIC	IFI	6.8%	7.9%
4	J.P. Morgan	FII	3.5%	3.4%
6	The Royal Bank Of Scotland	FII	2.9%	2.9%
5	Abu Dhabi Investment Authority	FII	2.4%	2.6%
7	Vanguard	FII	2.1%	2.1%
8	Actis Hawk Limited	FII	2.0%	2.0%
9	JP Morgan Sicav Investment Company (Mauritius) Limited	P-NOTE	1.9%	2.0%
10	HSBC Global Investment Funds	FII	1.8%	1.3%

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## Other Highlights

- Adjusted Duration :
  - Assets : 1.5 years (Mar 31, 2013 : 1.8 years)
  - Liabilities : 1.8 years (Mar 31, 2013 : 1.7 years)
  
- Assets Under Management :

Fund Name	AUM (June 30, 2013)	
	₹Crore	USD* (bn)
IDFC Private Equity**	4,457	1.0
Fund I	75	0.0
Fund II	1,478	0.3
Fund III	2,903	0.6
IDFC Project Equity Fund**	3,837	0.9
IDFC Mutual Fund	40,327	6.8
Equity	7,417	1.2
Debt	32,910	5.5
<b>Total</b>	<b>48,620</b>	<b>8.7</b>

\*\*Exchange rate: Pvt & Proj Eq - rate prevailing at the time of Fund Close; Others 1 USD = ₹59.70 as on June 30, 2013.